

AMENDED IN SENATE AUGUST 5, 2002

AMENDED IN SENATE JUNE 17, 2002

AMENDED IN SENATE MAY 29, 2002

AMENDED IN ASSEMBLY JUNE 5, 2001

AMENDED IN ASSEMBLY APRIL 16, 2001

CALIFORNIA LEGISLATURE—2001–02 REGULAR SESSION

## ASSEMBLY BILL

**No. 982**

**Introduced by Assembly Member Firebaugh**

February 23, 2001

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An act to add Article 9.5 (commencing with Section 1970) to Chapter 4 of, ~~and Article 7.75 to add Article 7.5 (commencing with Section 2153.5) and Article 7.7 (commencing with Section 2155) 2154)~~ to Chapter 5 of, *and to repeal Article 7.5 (commencing with Section 2154) of Chapter 5 of*, Division 2 of the Business and Professions Code, and to add Section 128224 to, and to add Article 5 2.5 (commencing with Section ~~128045) 127925~~) to Chapter 2 of Part 3 of Division 107 of the Health and Safety Code, relating to health care.

### LEGISLATIVE COUNSEL'S DIGEST

AB 982, as amended, Firebaugh. Health care.

Existing law, the Dental Practice Act and the Medical Practice Act, regulate the practice of medicine and dentistry in this state.

This bill would establish the California ~~Dental Corps~~ *Medical and Dental Student Loan Assumption Repayment Program* ~~and the California Physician Corps Loan Assumption Program of 2002~~ which

would be administered by the Office of Statewide Health Planning and Development *and would provide conditional warrants for loan repayment to individuals enrolled in a postsecondary institution studying medicine or dentistry who agree to practice in medically and dentally underserved areas.* The bill would authorize ~~loan repayments~~ *repayment of these conditional warrants*, up to a specified amount, to participating, qualified, and licensed physicians and dentists *in the California Dental Corps Loan Repayment Program of 2002 and the California Physician Corps Loan Repayment Program of 2002* who practice in underserved areas of the state. The bill would require the office to administer financial or other incentives to experienced dentists and physicians in an effort to market the programs at medical and dental schools in the state.

This bill would create the Community Healthcare Service Expansion Fund containing the Dentally Underserved Account and the Medically Underserved Account. The bill would authorize the Dentally Underserved Account to be funded by a \$3,000,000 transfer from the State Dentistry Fund. The bill would authorize the Medically Underserved Account to be funded by a \$3,000,000 transfer from the Contingent Fund of the Medical Board of California.

This bill would require both programs to report to the Legislature on an annual basis regarding the number of program participants, practice locations, and the costs of the programs.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

*The people of the State of California do enact as follows:*

1 SECTION 1. This act shall be known as the Community  
2 Healthcare Service Expansion Act.

3 SEC. 2. The Legislature finds and declares all of the  
4 following:

5 (a) According to the 2000 Census and its Supplementary  
6 Survey, communities of color represent a majority, 53 percent, of  
7 the state's population. In addition, almost 40 percent of  
8 Californians speak a language other than English at home.

9 (b) ~~To~~ *According to the Institute of Medicine Report entitled*  
10 *"Unequal Treatment,"* to improve the health care of diverse  
11 populations and to eliminate health disparities, culturally and  
12 linguistically appropriate services are critical. For example, the

1 provision of language assistance services results in improved  
2 quality of health care, increased access to health services, reduced  
3 medical errors, and greater provider-patient trust and satisfaction  
4 for limited-English proficient populations.

5 (c) The Department of Health and Human Services Office of  
6 Minority Health published standards for culturally and  
7 linguistically appropriate services (CLAS) on December 22, 2000.  
8 These CLAS standards outlined requirements, guidelines and  
9 recommendations on how health care organizations can make their  
10 practices more culturally and linguistically accessible, with the  
11 ultimate goal of eliminating racial and ethnic health disparities.

12 (d) ~~The~~ According to the *Bureau of Health Professions*, the cost  
13 of receiving medical and dental education and training results in  
14 many new physicians and dentists being unable to afford to work  
15 in underserved communities, including those that face cultural and  
16 linguistic barriers to care, because of the need to repay student  
17 loans.

18 (e) ~~Despite~~ According to the *Center for California Health*  
19 *Workforce Studies*, despite some existing programs to repay  
20 student loans for physicians who commit to work in underserved  
21 areas, there are still inadequate numbers of physicians that are  
22 culturally or linguistically competent to serve these areas. The  
23 same holds true for dentists, for whom few subsidized loan  
24 repayment programs or options exist.

25 (f) It is in the interest of the state and its residents that medical  
26 and dental services be provided throughout California in a manner  
27 that can be effectively accessed by the residents of all  
28 communities.

29 SEC. 3. Article 9.5 (commencing with Section 1970) is added  
30 to Chapter 4 of Division 2 of the Business and Professions Code,  
31 to read:

32  
33 Article 9.5. California Dental Corps Loan Repayment  
34 Program  
35

36 1970. *There is hereby established in the Dental Board of*  
37 *California the Dental Corps Loan Repayment Program of 2002,*  
38 *which shall become operative on January 1, 2003.* This program  
39 shall be known and may be cited as the California Dental Corps  
40 Loan Repayment Program of 2002.

~~1970.05.— It is the intent of the Legislature to create a voluntary advisory committee to provide input and development of the California Dental Corps Loan Repayment Program. The advisory committee shall be a group formed by the Division of Licensing, the Office of Statewide Health Planning and Development, and the Dental Board of California, consisting of, at a minimum, the medical and dental community including ethnic representatives, medical and dental schools, health advocates representing ethnic communities, primary care clinics, statewide agencies~~

*1970.5. It is the intent of this article that the Dental Board of California, in consultation with the Office of Statewide Health Planning and Development, the dental community, including ethnic representatives, dental schools, health advocates representing ethnic communities, primary care clinics, public hospitals and health systems, statewide agencies administering state and federally funded programs targeting underserved communities, and members of the public with health care issue-area expertise shall develop and implement the California Dental Corps Loan Repayment Program of 2002.*

1971. For the purposes of this article, the following terms have the following meanings:

(a) “Board” means the Dental Board of California.

(b) “Office” means *the* Office of Statewide Health Planning and Development.

(c) “Program” means the California Dental Corps Loan Repayment Program.

(d) “Dentally underserved area” means a geographic area eligible to be designated as having a shortage of dental professionals pursuant to Part I of Appendix B to Part 5 of Chapter 1 of Title 42 of the Code of Federal Regulations or an area of the state where unmet priority needs for dentists exist as determined by the Health Manpower Policy Commission pursuant to Section 128224 of the Health and Safety Code.

(e) “Dentally underserved population” means ~~uninsured~~ persons *without dental insurance* and persons eligible for the Denti-Cal and Healthy Families Programs who are population groups described as having a shortage of dental care professionals in Part I of Appendix B to Part 5 of Chapter 1 of Title 42 of the Code of Federal Regulations.

(f) “Practice setting” means:

(1) A community clinic, as defined in subdivision (a) of Section 1204 and subdivision (c) of Section 1206 of the Health and Safety Code, *and a clinic owned and operated by a hospital that maintains the primary contract with a county government to fulfill the county's role pursuant to Section 17000 of the Welfare and Institutions Code*, which is located in a dentally underserved area and at least ~~75~~ 50 percent of whose patients are from a dentally underserved population; or

(2) A dental practice or dental corporation, as defined in Section 1800 of this code, located in a dentally underserved area and at least 50 percent of whose patients are from a dentally underserved population.

(g) "Medi-Cal threshold languages" means primary languages spoken by limited-English proficient (LEP) population groups meeting a numeric threshold of 3,000, eligible LEP Medi-Cal beneficiaries residing in a county, 1,000 Medi-Cal eligible LEP beneficiaries residing in a single ZIP Code, or 1,500 LEP Medi-Cal beneficiaries residing in two contiguous ZIP Codes.

(h) "Fund" means the Community Healthcare Service Expansion Fund.

(i) "Account" means the Dentally Underserved Account which is contained within the fund.

1972. (a) Program applicants shall possess a current valid license to practice dentistry in this state issued by the board pursuant to Section 1626.

(b) The board, ~~in collaboration with the office and the advisory committee in accordance with Section 1970.5~~, shall develop the guidelines for selection and placement of applicants.

~~(1) Guidelines shall include, but not be limited to, ensuring loan repayment to applicants who have received a warrant pursuant to Article 5 (commencing with Section 128050) of Chapter 2 of Part 3 of Division 107 of the Health and Safety Code and meet the following conditions:~~

~~(A) Applicants shall be working in a dentally underserved area or have a signed agreement to work in a dentally underserved area.~~

~~(B) Applicants shall work in an eligible practice setting as defined in this article.~~

~~(2)~~

(1) Guidelines shall provide priority consideration to applicants who are best suited to meet the cultural and linguistic

- 1 needs and demands of ~~medically~~ *dentally* underserved populations  
2 and that meet one or more of the following criteria:
- 3 (A) Speak a Medi-Cal threshold language.
  - 4 (B) Come from an economically disadvantaged background.
  - 5 (C) Have received significant training in cultural and  
6 linguistically appropriate service delivery.
  - 7 (D) Have worked with dentally underserved communities for  
8 at least three years.
  - 9 (E) Recently received a license to practice dentistry.
- 10 ~~(3)~~
- 11 (2) The guidelines shall include a process for determining the  
12 needs for dentist services identified by the practice setting. At a  
13 minimum, the practice setting shall meet the following criteria:
- 14 (A) The practice setting shall be located in a dentally  
15 underserved area.
  - 16 (B) The practice setting shall ensure that the program  
17 participant serves a patient population that consists of at least 50  
18 percent dentally underserved populations.
- 19 ~~(4)~~
- 20 (3) Guidelines shall seek to place the most qualified applicants  
21 under this section in the areas with the greatest need.
- 22 ~~(5)~~
- 23 (4) Guidelines shall include a factor ensuring geographic  
24 distribution of placements.
- 25 ~~(e) The board may fill up to 20 percent of the available~~  
26 ~~positions with program applicants from specialties outside of the~~  
27 ~~primary care specialties.~~
- 28 ~~(d)~~
- 29 (c) Program applicants shall be working in or have a signed  
30 agreement with an eligible practice setting. The program  
31 participant shall have full-time status.
- 32 ~~(e) Full-time status shall be defined by the board, and the board~~  
33 ~~may establish exemptions to this requirement on a case-by-case~~  
34 ~~basis.~~
- 35 (d) Program participants shall commit to a minimum of three  
36 years of service in a dentally underserved area. The board, ~~in~~  
37 ~~collaboration with the advisory committee in accordance with~~  
38 *Section 1970.5*, shall develop the process for determining the  
39 maximum length of an absence and the process for reinstatement.

1 Loan repayment shall be deferred until the dentist is back to  
2 full-time status.

3 ~~(f) The board, in collaboration with the advisory committee,~~  
4 *(e) The board, in accordance with Section 1970.5, shall*  
5 *develop the process if a dentist is not able to complete his or her*  
6 *three-year obligation.*

7 ~~(g) The board, in collaboration with the office and the advisory~~  
8 ~~committee, shall develop a process for outreach to potentially~~  
9 ~~eligible applicants. The process shall include outreach to~~  
10 ~~undergraduate students and medical magnet high schools.~~

11 ~~(h)~~  
12 *(f) The board, in accordance with Section 1970.5, shall develop*  
13 *a process for outreach to potentially eligible applicants.*

14 *(g) The board may adopt any other standards of eligibility,*  
15 *placement and termination appropriate to achieve the aim of*  
16 *providing competent dental services in these approved practice*  
17 *settings.*

18 ~~1973. (a) The Dentally Underserved Account is hereby~~  
19 ~~created in the Community Healthcare Service Expansion Fund.~~

20 ~~(b) The sum of three million dollars (\$3,000,000) is hereby~~  
21 ~~transferred from the State Dentistry Fund to the Dentally~~  
22 ~~Underserved Account in the Community Healthcare Service~~  
23 ~~Expansion Fund. Moneys in the account may be expended for the~~  
24 ~~purposes of this article when appropriated by the Legislature.~~

25 ~~(c) The board is authorized to seek matching funds from~~  
26 ~~foundations and private sources for the purposes of this article.~~

27 *1973. (a) The Legislature hereby creates the Community*  
28 *Healthcare Service Expansion Fund and the Dentally*  
29 *Underserved Account within the fund.*

30 *(b) The sum of three million dollars (\$3,000,000) is hereby*  
31 *transferred from the State Dentistry Fund to the Dentally*  
32 *Underserved Account in the Community Healthcare Service*  
33 *Expansion Fund. Moneys in the account may be expended for the*  
34 *purposes of this article when appropriated by the Legislature.*  
35 *These funds shall be placed in the account in order to repay the*  
36 *loans per agreements made with dentists.*

37 *(1) Funds paid out for loan repayment may have a funding*  
38 *match from foundation or other private sources.*

39 *(2) Loan repayments shall not exceed one hundred five*  
40 *thousand dollars (\$105,000) per individual licensed dentist.*



1 (3) *Loan repayments shall not exceed the amount of the*  
2 *educational loans incurred by the dentist applicant.*

3 (c) *The board may seek matching funds from foundations and*  
4 *private sources. The board also may contract with an exempt*  
5 *foundation for the receipt of matching funds to be transferred to the*  
6 *Dentally Underserved Account for use by this program.*

7 1975. The terms of loan repayment granted under this article  
8 shall be as follows:

9 (a) After a program participant has completed one year of  
10 providing services as a dentist in a dentally underserved area, the  
11 board shall provide up to twenty-five thousand dollars (\$25,000)  
12 for loan repayment.

13 (b) After a program participant has completed two consecutive  
14 years of providing services as a dentist in a dentally underserved  
15 area, the board shall provide up to an additional thirty-five  
16 thousand dollars (\$35,000) of loan repayment, for a total loan  
17 repayment of up to sixty thousand dollars (\$60,000).

18 (c) After a program participant has completed three  
19 consecutive years of providing services as a dentist in a dentally  
20 underserved area, the board shall provide up to a maximum of an  
21 additional forty-five thousand dollars (\$45,000) of loan  
22 repayment, for a total loan repayment of up to one hundred five  
23 thousand dollars (\$105,000).

24 ~~1976. The board shall report to the Legislature annually on the~~  
25 ~~following:~~

26 ~~(a) Number of the program participants.~~

27 ~~(b) Practice locations.~~

28 ~~(c) Amount expended for the program.~~

29 ~~(d) Information on annual performance reviews by the practice~~  
30 ~~settings and program participants.~~

31 ~~1977.~~

32 1976. (a) On January 1, 2003, applications from dentists for  
33 program participation may be submitted ~~until January 30, 2003.~~

34 (b) The board shall report to the Legislature, no later than  
35 October 1, 2004, the experience of the program since its inception,  
36 an evaluation of its effectiveness in improving access to dental care  
37 for underserved populations, and recommendations for  
38 maintaining or expanding its operation. *The report to the*  
39 *Legislature shall also include the following:*

40 (1) *The number of the program participants.*



1 (2) *The practice locations.*

2 (3) *The amount expended for the program.*

3 (4) *The information on annual performance reviews by*  
4 *practice settings and program participants.*

5 (c) The board may promulgate emergency regulations to  
6 implement the program.

7 ~~1978. It is the intent of the Legislature that the program~~  
8 ~~created under this article be developed into a continuous program~~  
9 ~~administered by the office.~~

10 SEC. 4. *Article 7.5 (commencing with Section 2154) of*  
11 *Chapter 5 of Division 2 of the Business and Professions Code is*  
12 *repealed.*

13 SEC. 5. *Article 7.5 (commencing with Section 2153.5) is*  
14 *added to Chapter 5 of Division 2 of the Business and Professions*  
15 *Code, to read:*

16  
17 *Article 7.5. Osteopathic Reciprocity Applications*  
18

19 2153.5. *Notwithstanding any other provisions of law, the*  
20 *Osteopathic Medical Board of California shall issue an*  
21 *osteopathic physician's and surgeon's certificate on reciprocity to*  
22 *an applicant providing he or she meets the following requirements:*

23 (a) *The applicant holds an unlimited license to engage in the*  
24 *practice of osteopathic medicine in another state whose written*  
25 *licensing examination is recognized and approved by the board to*  
26 *be equivalent in content to that administered in California. For the*  
27 *purposes of this section, the board may recognize and approve as*  
28 *equivalent, along with other examinations, an examination*  
29 *prepared by the Federation of State Medical Boards if an applicant*  
30 *had been licensed in another state as a result of the successful*  
31 *completion, prior to December 31, 1993, of that examination. In*  
32 *lieu of a board recognized and approved state written license*  
33 *examination, the board may require the applicant to successfully*  
34 *complete a special examination in general medicine and*  
35 *osteopathic principles prepared by the National Board of*  
36 *Osteopathic Medical Examiners, or the Osteopathic Medical*  
37 *Board of California. The board may also utilize a special purpose*  
38 *examination prepared by the Federation of State Medical Boards.*

39 (b) *The board determines that no disciplinary action has been*  
40 *taken against the applicant by any medical licensing authority and*

1 *that the applicant has not been the subject of adverse judgments*  
2 *or settlements resulting from the practice of medicine which the*  
3 *board determines constitutes evidence of a pattern of negligence*  
4 *or incompetence.*

5 *(c) The applicant successfully completes an oral, clinical, and*  
6 *practical examination, as determined by the board.*

7 SEC. 6. Article 7.7 (commencing with Section ~~2155~~ 2154) is  
8 added to Chapter 5 of Division 2 of the Business and Professions  
9 Code, to read:

10  
11 Article 7.7. California Physician Corps Loan Repayment  
12 Program  
13

14 ~~2155.~~

15 2154. *There is hereby established in the Division of Licensing*  
16 *of the Medical Board of California, the California Physician*  
17 *Corps Loan Repayment Program of 2002, which shall become*  
18 *operative on January 1, 2003. This program shall be known and*  
19 *may be cited as the California Physician Corps Loan Repayment*  
20 *Program of 2002.*

21 ~~2155.05.— It is the intent of the Legislature to create a voluntary~~  
22 ~~advisory committee to provide input and development of the~~  
23 ~~California Physician Corps Loan Repayment Program. The~~  
24 ~~advisory committee shall be a group formed by the Division of~~  
25 ~~Licensing, the Office of Statewide Health Planning and~~  
26 ~~Development, and the Medical Board of California, consisting of,~~  
27 ~~at a minimum, the medical and dental community including ethnic~~  
28 ~~representatives, medical and dental schools, health advocates~~

29 2154.1. *It is the intent of this article that the Division of*  
30 *Licensing, in consultation with the Office of Statewide Health*  
31 *Planning and Development, the medical community, including*  
32 *ethnic representatives, medical schools, health advocates*  
33 *representing ethnic communities, primary care clinics, public*  
34 *hospitals and health systems, statewide agencies administering*  
35 *state and federally funded programs targeting underserved*  
36 *communities, and members of the public with health care*  
37 *issue-area expertise shall develop and implement the California*  
38 *Physician Corps Loan Repayment Program of 2002.*

39 ~~2155.1.~~

2154.2. For the purposes of this article, the following terms have the following meanings:

(a) “Division” means the Division of Licensing.

(b) “Office” means *the* Office of Statewide Health Planning and Development (OSHPD).

(c) “Program” means the California Physician Corps Loan Repayment Program.

(d) “Medically underserved area” means an area as defined in Part 5 of Chapter 1 of Title 42 of the Code of Federal Regulations or an area of the state where unmet priority needs for physicians exist as determined by the Health Manpower Policy Commission pursuant to Section 128225 of the Health and Safety Code.

(e) “Medically underserved population” means the Medi-Cal, Healthy Families, and uninsured populations.

(f) “Practice setting” means:

(1) A community clinic as defined in subdivision (a) of Section 1204 and subdivision (c) of Section 1206 of the Health and Safety Code, *and a clinic owned and operated by a hospital that maintains the primary contract with a county government to fulfill the county’s role pursuant to Section 17000 of the Welfare and Institutions Code*, which is located in a medically underserved area and at least ~~75~~ 50 percent of whose patients are from a medically underserved population.

(2) A medical practice ~~or medical corporation, as defined in Section 2406 of this code~~ located in a medically underserved area and at least 50 percent of whose patients are from a medically underserved population.

(g) “Primary specialty” means family practice, internal medicine, pediatrics, or obstetrics/gynecology.

(h) “Medi-Cal threshold languages” means primary languages spoken by limited-English proficient (LEP) population groups meeting a numeric threshold of 3,000, eligible LEP Medi-Cal beneficiaries residing in a county, 1,000 Medi-Cal eligible LEP beneficiaries residing in a single ZIP Code, or 1,500 LEP Medi-Cal beneficiaries residing in two contiguous ZIP Codes.

(i) “Fund” means the Community Healthcare Services Expansion Fund.

(j) “Account” means the Medically Underserved Account which is contained within the fund.

~~2155.2.~~

1 2154.3. (a) Program applicants shall possess a current valid  
2 license to practice medicine in this state issued by the board  
3 pursuant to Section 2050.

4 (b) The division, ~~in collaboration with the office and the~~  
5 ~~advisory committee in accordance with Section 2154.1,~~ shall  
6 develop the guidelines for selection and placement of applicants.

7 ~~(1) Guidelines shall include, but not be limited to, ensuring~~  
8 ~~loan repayment to applicants, who have received a warrant,~~  
9 ~~pursuant to Article 5 (commencing with Section 128050) of~~  
10 ~~Chapter 2 of Part 3 of Division 107 of the Health and Safety Code~~  
11 ~~and who meet the following conditions:~~

12 ~~(A) Be working in a medically underserved area or have a~~  
13 ~~signed agreement to work in a medically underserved area.~~

14 ~~(B) Work in an eligible practice setting as defined in this article.~~

15 ~~(2)~~

16 (1) Guidelines shall provide priority consideration to  
17 applicants that are best suited to meet the cultural and linguistic  
18 needs and demands of patients from medically underserved  
19 populations and shall meet one or more of the following criteria:

20 (A) Speak a Medi-Cal threshold language.

21 (B) Come from an economically disadvantaged background.

22 (C) Have received significant training in cultural and  
23 linguistically appropriate service delivery.

24 (D) Have three years of experience working in medically  
25 underserved areas or with medically underserved populations.

26 (E) Have recently obtained their license to practice medicine.

27 ~~(3)~~

28 (2) The guidelines shall include a process for determining the  
29 needs for physician services identified by the practice setting. At  
30 a minimum, the practice setting shall meet the following criteria:

31 (A) The practice setting shall be located in a medically  
32 underserved area.

33 (B) The practice setting shall ensure that the program  
34 participant serves a patient population that consists of at least 75  
35 50 percent medically underserved populations.

36 ~~(4)~~

37 (3) The guidelines shall give preference to applicants who have  
38 completed a three-year residency in a primary specialty.

39 ~~(5)~~

1 (4) Guidelines shall seek to place the most qualified applicants  
2 under this section in the areas with the greatest need.

3 ~~(6)~~

4 (5) Guidelines shall include a factor ensuring geographic  
5 distribution of placements.

6 (c) The division may fill up to 20 percent of the available  
7 positions with program applicants from specialties outside of the  
8 primary care specialties.

9 (d) Program applicants shall be working in or have a signed  
10 agreement with an eligible practice setting. The program  
11 participant shall have full-time status. *Full-time status shall be*  
12 *defined by the division and the division may establish exemptions*  
13 *to this requirement on a case-by-case basis.*

14 (e) Program participants shall commit to a minimum of three  
15 years of service in a medically underserved area. Leaves of  
16 absences will be permitted for serious illnesses, pregnancy, or  
17 other natural causes. The division, ~~in collaboration with the~~  
18 ~~advisory committee~~ *in accordance with Section 2154.1*, shall  
19 develop the process for determining the maximum permissible  
20 length of an absence and the process for reinstatement. Loan  
21 repayment shall be deferred until the physician is back to full-time  
22 status.

23 (f) The division, ~~in collaboration with the advisory committee~~  
24 *in accordance with Section 2154.1*, shall develop the process  
25 should a physician be unable to complete his or her three-year  
26 obligation.

27 ~~(g) The division, in collaboration with the office and the~~  
28 ~~advisory committee, shall develop a process for outreach to~~  
29 ~~potentially eligible applicants. The process shall include outreach~~  
30 ~~to undergraduate students and medical magnet high schools.~~

31 ~~(g) The division, in accordance with Section 2154.1, shall~~  
32 ~~develop a process for outreach to potentially eligible applicants.~~

33 (h) The division may adopt any other standards of eligibility,  
34 placement, and termination appropriate to achieve the aim of  
35 providing competent health care services in these approved  
36 practice settings.

37 ~~2155.3. (a) The Medically Underserved Account is hereby~~  
38 ~~created in the Community Healthcare Service Expansion Fund.~~

39 ~~(b) The sum of three million dollars (\$3,000,000) is hereby~~  
40 ~~transferred from the Contingent Fund of the Medical Board of~~

~~California to the Medically Underserved Account in the Community Healthcare Service Expansion Fund. Moneys in the account may be expended for the purposes of this article when appropriated by the Legislature.~~

~~(e) The division has the authority to seek matching funds from foundations and private sources for the purposes of this article.~~

~~2155.4.~~

*2154.4. (a) The Legislature hereby creates the Community Healthcare Service Expansion Fund and the Medically Underserved Account within that fund.*

*(b) The sum of three million dollars (\$3,000,000) is hereby transferred from the Contingent Fund of the Medical Board of California to the Medically Underserved Account in the Community Healthcare Service Expansion Fund. Moneys in the account may be expended for the purposes of this article when appropriated by the Legislature. These funds shall be placed in the newly created account within the Community Healthcare Service Expansion Fund to repay the loans per agreements made with physicians.*

*(1) Funds paid out for loan repayment may have a funding match from foundation or other private sources.*

*(2) Loan repayments shall not exceed one hundred five thousand dollars (\$105,000) per individual licensed physician.*

*(3) Loan repayments shall not exceed the amount of the educational loans incurred by the physician applicant.*

*(c) The division may seek matching funds from foundations and private sources. The division also may contract with an exempt foundation for the receipt of matching funds to be transferred to the Medically Underserved Account for use by this program. The terms of loan repayment granted under this article shall be as follows:*

*(a) After a program participant has completed one year of providing services as a physician in a medically underserved area, the division shall provide up to twenty-five thousand dollars (\$25,000) for loan repayment.*

*(b) After a program participant has completed two consecutive years of providing services as a physician in a medically underserved area, the division shall provide up to an additional thirty-five thousand dollars (\$35,000) of loan repayment, for a total loan repayment of up to sixty thousand dollars (\$60,000).*

(c) After a program participant has completed three consecutive years of providing services as a physician in a medically underserved area, the division shall provide up to a maximum of an additional forty-five thousand dollars (\$45,000) of loan repayment, for a total loan repayment of up to one hundred five thousand dollars (\$105,000).

~~2155.6.~~

2154.6. Pursuant to Section 2313, the division shall also include the following in its annual report:

(a) Number of the program participants.

(b) Practice locations.

(c) Amount expended for the program.

(d) Information on annual performance reviews by the practice settings and program participants.

~~2155.7.~~

2154.7. (a) On January 1, 2003, applications from physicians for program participation may be submitted ~~until January 30, 2003.~~

(b) The division shall report to the Legislature, no later than October 1, 2004, the experience of the program since the inception, an evaluation of its effectiveness in improving access to health care for underserved populations, and recommendations for maintaining or expanding its operation.

(c) The division may promulgate emergency regulations to implement the program.

~~2155.8. It is the intent of the Legislature that the program created under this article be developed into a continuous program administered by the office.~~

~~SEC. 5.~~

SEC. 7. The Legislature finds and declares all of the following:

(a) ~~An~~ According to the Physician Shortage Area Survey conducted by the Medical Student Section of the California Medical Association, an overwhelming number of California preclinical medical students plan to complete their residency training in California and eventually practice in California. Over half of clinical medical students in their final years of medical school similarly plan to complete their residency training in California in hopes of practicing in the state and a significant number of medical students plan to practice in an underserved



1 community at any salary. Many California dental students plan to  
2 practice in California upon graduation and more would do so if  
3 loan forgiveness or repayment financial incentives existed to  
4 offset the higher cost of living in California.

5 (b) ~~In~~ According to the Physician Shortage Area Survey  
6 conducted by the Medical Student Section of the California  
7 Medical Association, in response to linguistic barriers in  
8 underserved communities a significant number of California  
9 medical and dental students will be able to communicate in  
10 Spanish in a clinical environment before entering practice. In  
11 addition, California medical and dental students speak over 40  
12 different languages, ranging from Arabic to Tagalog.

13 ~~(c) It is, therefore, the intent of the Legislature to develop~~  
14 ~~ongoing, retrospective and concurrent methods and strategies to~~  
15 ~~increase the supply of physicians and dentists in California and to~~  
16 ~~strengthen existing programs aimed at medical and dental students~~  
17 ~~that could eliminate maldistribution and ease the current access to~~  
18 ~~care crisis in California.~~

19 ~~SEC. 6. Article 5 (commencing with Section 128045)~~

20 *SEC. 8. Article 2.5 (commencing with Section 127925) is*  
21 *added to Chapter 2 of Part 3 of Division 107 of the Health and*  
22 *Safety Code, to read:*

23  
24 ~~Article 5. California Physician and Dentist Corps Loan~~  
25 ~~Assumption Program~~

26  
27 *Article 2.5. California Medical and Dental Student Loan*  
28 *Repayment Program*

29  
30 ~~128045.~~

31 *127925.* This article shall be known and may be cited as the  
32 ~~California Physician and Dentist Corps Loan Assumption~~  
33 ~~Program.~~

34 ~~128046. It is the intent of the Legislature to create a voluntary~~  
35 ~~advisory committee to provide input and development of the~~  
36 ~~California Physician and Dentist Corps Loan Assumption~~  
37 ~~Program. The advisory committee shall be a group formed by the~~  
38 ~~Division of Licensing, as defined in Section 2005 of the Business~~  
39 ~~and Professions Code, the Office of Statewide Health Planning~~  
40 ~~and Development, and the Dental Board of California, consisting~~

1 of, at a minimum, the medical and dental community including  
2 California Medical and Dental Student Loan Repayment Program  
3 of 2002.

4 127926. *It is the intent of this article that the Office of*  
5 *Statewide Health Planning and Development, in consultation with*  
6 *the Dental Board of California, the Medical Board of California,*  
7 *the medical and dental community, including ethnic*  
8 *representatives, medical and dental schools, health advocates*  
9 *representing ethnic communities, primary care clinics, public*  
10 *hospitals and health systems, statewide agencies administering*  
11 *state and federally funded programs targeting underserved*  
12 *communities, and members of the public with health care issue*  
13 *area expertise shall develop and implement the California*  
14 *Medical and Dental Student Loan Repayment Program of 2002.*

15 ~~128050.~~

16 127927. (a) There is hereby established in the Office of  
17 Statewide Health Planning and Development the California  
18 ~~Physician and Dentist Corps Loan Assumption Program.~~ *Medical*  
19 *and Dental Student Loan Repayment Program of 2002.*

20 (b) The Office of Statewide Health Planning and Development  
21 shall operate the California ~~Physician and Dentist Corps Loan~~  
22 ~~Assumption Program~~ *Medical and Dental Student Loan*  
23 *Repayment Program of 2002* in accordance with, but not limited  
24 to, the following:

25 (1) Increased efforts in educating medical and dental students  
26 and medical residents of the need for physicians and dentists in  
27 underserved communities, and of programs that are available that  
28 provide incentives, financial and otherwise, to practice in settings  
29 and areas in need.

30 (2) Strategic collaboration with California medical and dental  
31 schools and postgraduate programs to better prepare physicians  
32 and dentists to meet the distinctive cultural and medical needs of  
33 underserved populations.

34 (3) Encourage the University of California and other medical  
35 and dental schools to increase the number of medical and dental  
36 students and medical residency program positions.

37 (4) Establish, encourage, and expand programs for medical and  
38 dental students and medical residents for mentoring at primary and  
39 secondary schools, and college levels to increase the number of  
40 students entering the medical and dental sciences.

(5) Administer financial or other incentives to encourage new or experienced physicians and dentists to practice in underserved areas.

~~128051.~~

127928. For purposes of this part, the following terms have the following meanings:

(a) “Program” means the California ~~Physician and Dentist Corps Loan Assumption Program~~ *Medical and Dental Student Loan Repayment Program of 2002*.

(b) (1) “Medically underserved area” means an area as defined in Part 5 of Chapter 1 of Title 42 of the Code of Federal Regulations or an area of the state where unmet priority needs for physicians exists as determined by the Health Manpower Policy Commission pursuant to Section 128225 of the Health and Safety Code.

(2) “Dentally underserved area” means a geographic area eligible to be designated as having a shortage of dental professionals pursuant to Part I of Appendix B to Part 5 of Chapter 1 of Title 42 of the Code of Federal Regulations or an area of the state where unmet priority needs for dentists exist as determined by the Health Manpower Policy Commission pursuant to Section 128224 of the Health and Safety Code.

(c) (1) “Medically underserved population” means the Medi-Cal, Healthy Families and uninsured population.

(2) “Dentally underserved population” means ~~uninsured~~ persons *without dental insurance* and persons eligible for the Denti-Cal and Healthy Families Programs who are population groups described as having a shortage of dental care professionals in Part I of Appendix B to Part 5 of Chapter 1 of Title 42 of the Code of Federal Regulations.

(d) “Medi-Cal threshold languages” means primary languages spoken by limited-English proficient (LEP) population groups meeting a numeric threshold of 3,000 eligible LEP Medi-Cal beneficiaries residing in a county, 1,000 Medi-Cal eligible LEP beneficiaries residing in a single ZIP Code, or 1,500 LEP Medi-Cal beneficiaries residing in two contiguous ZIP Codes.

(e) “Office” means the Office of Statewide Health Planning and Development.

~~128052.~~

1 127929. (a) The office shall administer the California  
2 ~~Physician and Dentist Corps Loan Assumption Program. Any~~  
3 ~~Medical and Dental Student Loan Repayment Program of 2002.~~  
4 Any individual enrolled in an institution of postsecondary  
5 education participating in the ~~loan assumption program~~ set forth  
6 in this article may be eligible to receive a conditional warrant for  
7 ~~loan assumption repayment, to be redeemed pursuant to Article 9.5~~  
8 ~~(commencing with Section 1970) of Chapter 4 or Article 7.7~~  
9 ~~(commencing with Section 2155) of Chapter 5 of Division 2 of the~~  
10 ~~Business and Professions Code, redeemed~~ upon becoming  
11 employed as a physician or dentist *in a medically underserved*  
12 *area or a dentally underserved area serving primarily medically*  
13 *or dentally underserved populations.* In order to be eligible to  
14 receive a conditional ~~loan assumption repayment~~ warrant, an  
15 applicant shall satisfy all of the following conditions:  
16 (1) The applicant has been judged by his or her postsecondary  
17 institution to have outstanding ability on the basis of criteria that  
18 may include, but not be limited to, any of the following:  
19 (A) Grade point average.  
20 (B) Test scores.  
21 (C) Faculty evaluations.  
22 (D) Interviews.  
23 (E) Other recommendations.  
24 (2) In order to meet the costs associated with obtaining a  
25 medical or dental degree, the applicant has received, or is approved  
26 to receive, a loan under one or more of the following designated  
27 loan programs:  
28 (A) The Federal Family Education Loan Program (10 U.S.C.  
29 Sec. 1071 et seq.).  
30 (B) Any loan program approved by the Student Aid  
31 Commission.  
32 (3) The applicant has agreed to provide services as a licensed  
33 physician for up to three consecutive years, after obtaining a  
34 license from the Medical Board of California in a medically  
35 underserved area, or the applicant has agreed to provide services  
36 as a licensed dentist for up to three consecutive years, after  
37 obtaining a license from the Dental Board of California in a  
38 dentally underserved area.  
39 ~~(4) The applicant has agreed to work in an eligible practice~~  
40 ~~setting as defined in Article 9.5 (commencing with Section 1970)~~

1 of Chapter 4 of or Article 7.7 (commencing with Section 2155) of  
2 Chapter 5 Division 2 of the Business and Professions Code.

3 (4) *The applicant has agreed to work in a setting where the*  
4 *applicant will primarily serve medically or dentally underserved*  
5 *populations.*

6 (b) The office shall ensure that priority consideration be given  
7 to applicants who are best suited to meet the cultural and linguistic  
8 needs and demands of medically and dentally underserved  
9 populations and who meet one or more of the following criteria:

10 (1) Speak a Medi-Cal threshold language.

11 (2) Come from an economically disadvantaged background.

12 (3) Have received significant training in cultural and  
13 linguistically appropriate service delivery.

14 (4) Have done a medical rotation serving medically  
15 underserved populations or provided dental services to members  
16 of a dentally underserved population.

17 (c) A person participating in the program pursuant to this  
18 section shall not receive more than one warrant.

19 (d) The office shall adopt rules and regulations regarding the  
20 reallocation of warrants if a participating institution is unable to  
21 utilize its allocated warrants or is unable to distribute them within  
22 a reasonable time period.

23 ~~128053. (a) The office, in collaboration with the Medical~~  
24 ~~Board of California, Division of Licensing and the Dental Board~~  
25 ~~of California, shall redeem an applicant's warrant, and commence~~  
26 ~~loan assumption payments, pursuant to Article 9.5 (commencing~~  
27 ~~with Section 1970) of Chapter 4 or Article 7.7 (commencing with~~  
28 ~~Section 2155) of Chapter 5 of Division 2 of the Business and~~  
29 ~~Professions Code.~~

30 *127930. The office, in accordance with Section 127926, shall*  
31 *develop the process to redeem an applicant's warrant and*  
32 *commence loan repayment.*

33 ~~128054.5.~~

34 *127931. (a) The office shall distribute student applications to*  
35 *participate in the loan assumption program to postsecondary*  
36 *institutions eligible to participate in the state and federal financial*  
37 *aid programs and that have a program of professional preparation*  
38 *that has been approved by the Medical Board of California or the*  
39 *Dental Board of California. Each eligible institution shall receive*  
40 *at least one application.*

(b) Each participating institution shall sign an institutional agreement with the office, certifying its intent to administer the ~~loan-assumption~~ program according to all applicable published rules, regulations, and guidelines, and shall make special efforts to notify students regarding the availability of the program, particularly to economically disadvantaged students.

(c) To the extent feasible, the office and each participating institution shall coordinate ~~the loan-assumption~~ *this* program with other existing programs designed to recruit or encourage students to enter the medical ~~profession~~ *and dental professions*. These programs shall include, but not be limited to, the following:

(1) The Song-Brown Family Physician Training Act.

(2) The Health Education and Academic Loan Act.

(3) The National Health Service Corp.

~~128055.~~

~~127932.~~ (a) The office, *in accordance with Section 127926*, shall administer this ~~article~~ *program*, and shall adopt rules and regulations for that purpose. The rules and regulations shall include, but not be limited to, provisions regarding the period of time for which a warrant shall remain valid, the reallocation of warrants that are not utilized, and the development of projections for funding purposes. ~~The office shall solicit the advice of the advisory committee regarding the proposed rules and regulations.~~

(b) The office shall work in conjunction with lenders participating in federal or similar loan programs to develop a streamlined application process for participation in the program set forth in this article.

~~12733.~~ (a) *The office shall establish a fund to utilize for the purposes of this article.*

(b) *The office may seek matching funds from foundations and private sources. The office may also contract with an exempt foundation for the receipt of matching funds to be transferred to the fund for use by this program.*

~~SEC. 7.~~

*SEC. 9.* Section 128224 is added to the Health and Safety Code, to read:

128224. The commission shall identify specific areas of the state where unmet priority needs for dentists *and physicians* exist.

O